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Only a small amount of silver now remaining in Europe.

It is objected by many that the re-monetization of silver in the United States would induce a further and more general demonetization of that metal in Europe, and would make this country a reservoir into which would flow a swollen stream of cheap and cheapening silver. As it is not alleged that we are exposed to a dangerous inflow of silver from any other quarter, it may be useful to inquire what quantity in coin and bars there really is in the different countries of Europe at this time, and how much of that quantity is available for sale after their demands for consumption in the arts, and to keep their stocks of subsidiary coins good against abrasion and loss, have been supplied, and how much they will need annually in the future for these last purposes.

Italy, Austria and Russia, having an actual currency of legal tender paper, may be left out of this account. They have no silver to dispose of.

In respect to Italy, it is stated in the report (1876) of the British silver commission:

Italy has been gradually denuded of her silver currency. Since 1865 large amounts have been exported; her forced paper currency has apparently expelled the whole of the metallic currency, of which the silver coins amounted at the beginning of 1866 to about £17,000,000.

In the tabulation of the same report of the quantities of silver thrown on the market during the four years from 1872 to 1875, both inclusive, Italy is put down as furnishing eight millions sterling, or as much as was furnished during the same time by Germany and the Scandinavian states combined. An Italian finance minister has estimated the Italian export of both the metals since 1866 at \$200,000,000.

The facts given in the report made December 20, 1876, by Mr. Compton, of the British embassy at Rome, seem to justify his statement that "since 1866, when paper money was introduced in place of coin, nearly \$30,000,000 worth of silver has been exported." This is nearly twice the estimate of the British silver commission. If it is true that \$200,000,000 of both the metals have been exported since 1866, the estimate of Mr. Compton is more probably correct, as the proportion of silver to gold was always very large in the Italian circulation so long as it was metallic or convertible. Of the coins issued prior to 1862, those withdrawn have been in the proportion of \$92,635,000 of silver to \$5,415,000 of gold. In the new coinage since 1862, and down to 1876, the silver was £17,505,481 and the gold £9,446,088. In the public treasury and in all the banks in October last Mr. Compton states the entire metallic money at only £7,900,000, divided about equally between gold and silver. It is fully shown by all these statements that within eleven years Italy has thrown an immense amount of silver, undoubtedly approximating \$150,000,000, on the markets, and that it can do nothing further in that direction.

The portentous political aspects in Europe do not justify the expectation of an early resumption of coin payments by either Russia or Austria. The paper rouble of Russia, which dates with the Empress Catherine, has had the varying fortunes of the wars and political events of a century, alternately appreciating and depreciating, occasionally subjected to the process of scaling or partial repudiation, and during one brief period, from 1839 to 1857, redeemed in coin. If the great struggle threatened with Turkey

takes place, monetary reforms will yield as always, to more urgent national necessities. Of Austria it is said that an annual treasury deficit has been chronic since 1788, and the actual needs of military preparation and observation justify no present hope of an improved condition.

Great Britain may be left out of this account, having demonetized silver two generations ago.

Germany must be included in the account, as the demonetization of silver there is not yet an accomplished fact. The estimates of the silver still to be called in and sold by that country are widely variant.

The known facts in the case are: the total amount of silver coins which had been struck down to the date when demonetization was determined upon, the amount taken in by the government to February 28, 1877, the amount sold by the government to September 30, 1876, and the amount used to February 28, 1877, in the manufacture of the new subsidiary coinage. What is unknown, and in respect to which there is an extreme variance of opinion, is the proportion of the coins heretofore struck which has been lost, melted, or exported. The figures are:

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| Total amount of the old silver coinage | \$431,050,000 |
| Withdrawn to February 28, 1877 | 182,061,217 |
| Used in subsidiary coinage to February 28, 1877 | 97,150,635 |
| Actually sold to September 30, 1876 | 39,847,000 |
| Converted into bars for sale, but not sold, September 30, 1876 | 9,855,200 |

If the sum of 10 marks, equaling about \$2.50 per head, which in the provisional per capita limit of the subsidiary coinage, be made permanent, there will be needed to carry the coinage up to that limit, about \$8,000,000. If the limit be increased to 15 marks, about \$30,000,000 instead of \$8,000,000 will be required.

The exports of silver from Germany to England were much greater in the latter than in the earlier part of 1876. During January and February of this year they were £1,317,880 or \$6,391,718. During the same months of last year they were only £196,738 or \$954,180. Upon the whole, it may be concluded that nearly the entire difference, which is \$5,410,532, between the amount withdrawn and the amount used in subsidiary coinage to the end of February, 1877, has been sold.

Of the old silver coinage, \$50,000,000 were in florins of gulden currency, all issued since 1837. The remainder consisted of the thaler coinages, some of them dating back to 1750. The gulden currency has been demonetized, and only 68 per cent. of it was presented within the time limited for redemption. It is argued that the proportion of loss must be much greater in the thaler coinages which have been subjected so much longer to the various causes of loss. The probable proportion of the loss of those coinages is fixed by some authorities as high as three-fifths, but against this view it is urged that the gulden currency was better adapted to export and better adapted to melting down, because containing more gold. The controversy will be settled when the coinage is all called in, and not before. The British silver commission, after groping about as best they could where so much was uncertain and obscure, conclude that the German government might, at the date of their report, July 5, 1876, still have had from \$40,000,000 to \$100,000,000 of silver to sell. The latter evidence seems to point rather towards the higher than the lower estimate. The computation of the British commission included only the sales of \$30,000,000 then reported and known. The sales to this time amount probably to \$85,000,000, but the excess of such

sales above \$30,000,000 is certainly more than \$40,000,000, the minimum estimate of the amount remaining at the date of the British report. Since November last all the old silver coins have been demonetized, except the thaler piece and the sixth of a thaler piece, but the current reports are that the amount of the outstanding thaler pieces is still considerable.

The result will be largely affected by the conclusion finally reached as to the amount required for subsidiary coinage. The executive government has proposed to enlarge it one-half, or to 25 marks per capita, but the proposition lies over for the present, some legislative opposition having manifested itself. If carried, the enlargement will require about \$52,000,000 in silver.

The London *Economist* of February 3, 1877, states that the German coinage program for the present year is to complete the subsidiary coinage up to the present legal limit, which will call for \$8,000,000 in silver, and to coin 40,000 pounds in weight of gold (about \$12,125,000) for the account of the government. The mints are always open, of course, for such gold coinage as individuals may require. If this is really the present program of the German authorities, it implies either that they are not inclined to press the withdrawal of silver to an immediate conclusion, or that the quantity still to be withdrawn is not large.

In the appendix (page 1) to the report of the British commission is a careful estimate, which puts the amount of subsidiary silver in Great Britain, December 1, 1872, at £19,536,000. Taking the population of Great Britain at 32,000,000 and the English shilling as the equivalent of the German mark, it would be about 12 marks per capita of the population.

The British commission say:

It seems certain that more subsidiary coinage will be used in Germany than in England, owing to the smaller use of checks, and to the habit of daily payment for all family expenses, in the place of the English system of weekly or monthly bills.

It seems probable, therefore, that the increase of the German subsidiary coinage of 15 marks per capita will finally be carried, and that even a greater increase may be found necessary.

The subsidiary coinage of France is limited to 6 francs, or about 4½ marks, per capita of the population. A much greater amount per capita would doubtless be required were it not for the fact that the necessity for it is lessened by the existence of the full tender silver 5-franc piece, just as it is lessened in this country by the \$1 and \$2 legal tender and bank notes. But if the full tender 5 franc pieces were called in, as they would be should silver be demonetized, France would require at least as much subsidiary coin, per capita of the population, as Germany.

In the event of a re-monetization of silver in the United States, and of its general demonetization in Europe, this country could not be flooded with silver from Italy, Austria or Russia, which have none to dispose of, nor from Great Britain, which has none except what is fixed in subsidiary coins, nor from Germany beyond the small amount not yet withdrawn from its circulation. It is France which has nearly all the silver which is left in Europe, liable to be thrown on the markets of the world. The amount of this French stock, disposable in the event of demonetization, is as variously estimated as the amount of the German stock. The total number of 5 franc pieces coined, from the commencement of the coinage in 1795 to its suspension in 1876, was 1,008,159,946, amounting in value to \$947,500,000. The 5 franc piece is the only full tender silver coin in cir-

culation in France. The silver coins under that denomination are below the French standard of fineness, and are tender for only small sums. The British silver commission print a paper, stated by the chairman to have been furnished by "a high authority in France," whose name, however, is not given, in which the amount of full legal tender silver in France is estimated at 2,200,000,000 francs, or \$413,500,000. The bases of this estimate are, that in 1868 the authorities generally concurred in estimating it at 1,500,000,000 francs, to which had been added 500,000,000 by subsequent coinage at the French mint, and 200,000,000 by the importation of the 5 franc pieces of the other states of the Latin Union. Between 1857 and 1868 there was no silver coined at the French mints, except debased pieces for subsidiary purposes.

M. Cernuschi gives it as the general judgment of French authorities that the total metallic money of France, gold and silver, is \$1,000,000,000. The proportion of gold to silver in the reserves of the bank of France is as five to two, but may be less outside of that institution.

Paul Leroy Beaulieu (*Journal des Debats*, March 3, 1876), estimates the whole quantity of silver remaining at only 1,300,000,000 francs, one-half of which is in the bank of France. Victor Bonnet makes estimates equally low. Ernest Seyd combats these estimates as being too low, and as being made by advocates of the gold standard for the purpose of underrating the difficulties of demonetizing silver, but he does not himself reckon the quantity at above £70,000,000 sterling, or \$350,000,000.

The proportion of silver in the total amount of specie paid to and deposited in the bank of France is diminishing. This fact is considered by French authorities as indicating that there is no plethora or excess of silver in the circulation.

Upon the whole, we may take \$413,500,000 as a maximum estimate of the full tender silver in France. It is probably less. Whatever the amount may be, 400,000,000 francs, or \$75,000,000 would be absorbed in the event of the demonetization of silver in such an addition to the subsidiary coinage as would carry it up to 20 francs per capita, or about the equivalent of 15 marks per capita in Germany.

In respect to the Scandinavian states our minister to Denmark (letter of November 8, 1876, to Secretary Fish) says the demonetization of silver was completed October 1, 1876, and that the old silver coins had then entirely disappeared. The same thing is doubtless true of Norway and Sweden, as those countries conducted their movement toward a gold standard in concert with Denmark, and pursuant to treaty arrangements. In respect of Denmark, full accounts have been published of the silver withdrawn, of the amount sold, and of the amount remitted in subsidiary coins. These accounts are as follows:

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| Withdrawn | \$11,397,500 |
| Sold | 6,882,150 |
| Remitted | 4,515,350 |

The annual consumption of silver in Europe would not be much diminished by its universal demonetization there. Its consumption in plate and in the arts would not be affected at all. Its consumption by the loss and abrasion of coins would be nearly if not quite as great as ever. Silver would still be the material of the coins used in retail transactions and by the masses of the people, and it is in coins so used that loss and abrasion chiefly occur. There would be less silver in the reserves of banks and public treasuries, but in such reserves loss and abrasion of coins do not occur. The returns of British imports and ex-